

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1988, as amended. (V1.07)

Unit Name* L'ANSE TOWNSHIP	County* BARAGA	Type* TOWNSHIP	MuniCode*
Opinion Date-Use Calendar* Sep 26, 2008	Audit Submitted-Use Calendar* Sep 30, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input type="checkbox"/> ?	2. Does the local unit have a continuing balance sheet of its unrestricted fund balances (unrestricted net assets)?
<input type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Was the local unit's audit conducted by a Certified Public Accountant (CPA) licensed by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was the local unit's budget adopted in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit disclosed tax revenues that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Has the local unit been notified of any unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Government in Michigan as revised (see Appendix H of Bulletin)?
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies?
<input checked="" type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 517,661.00
General Fund Expenditure:	\$ 331,764.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 714,377.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations)

CPA (First Name)* RICHARD	Last Name* WOODBURY	Ten Digit License Number* 1101007477		
CPA Street Address* 20017 E. SHARON AVE.	City* HOUGHTON	State* MI	Zip Code* 49931	Telephone* +1 (906) 482-1305
CPA Firm Name* RICHARD C WOODBURY CP	Unit's Street Address* 126 N. MAIN ST.	Unit's City* L'ANSE	Unit's Zip* 49946	

TOWNSHIP OF L'ANSE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND OTHER FINANCIAL INFORMATION

MARCH 31, 2008

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Richard C. Woodbury, P.C.

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INDEPENDENT AUDITORS REPORT

To the Township Board
Township of L'Anse
L'Anse, Michigan

We have audited the accompanying statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Township, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the L'Anse Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

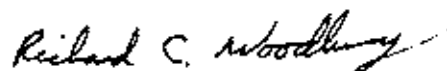
We conducted our audit in accordance with auditing standards, and the standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Township, Michigan as of March 31, 2008 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 26, 2008, on our consideration of L'Anse Township, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered when assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise L'Anse Township, Michigan's, basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink, reading "Richard C. Woodbury". The signature is written in a cursive style with a horizontal line extending from the end.

Richard C. Woodbury, CPA

September 26, 2008

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current Assets	\$637,930	\$544,097	\$345,189	\$323,194	\$983,119	\$867,291
Noncurrent Assets	434,083	447,135	1,271,217	526,957	1,705,300	974,092
Total Assets	\$1,072,013	\$991,232	\$1,616,406	\$850,151	\$2,688,419	\$1,841,383
Long-Term Debt Outstanding	\$ --	\$ --	\$597,614	\$416,766	\$597,614	\$416,766
Other Liabilities	3,730	7,829	53,365	19,905	57,095	27,734
Total Liabilities	\$3,730	\$7,829	\$650,979	\$436,671	\$654,709	\$444,500
Net Assets						
Invested in Capital Assets— Net of Debt	\$434,083	\$447,135	\$54,707	\$54,707	\$488,790	\$501,842
Restricted	--	--	634,273	--	633,915	--
Unrestricted (Deficit)	634,200	536,268	256,805	358,773	891,005	895,041
Total Net Assets	1,068,283	983,403	965,785	413,480	2,033,710	1,396,883
Total Liabilities and Net Assets	\$1,072,013	\$991,232	\$1,616,764	\$850,151	\$2,688,419	\$1,841,383

Management's Discussion and Analysis

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues						
Charges for Services	\$22,463	\$20,490	\$26,862	\$16,774	\$49,325	\$37,234
Operating Grants and Contributions	--	--	534,878	121,722	534,878	121,722
Capital Grants and Contributions	--	--	--	--	--	--
General Revenues	--	--	--	--	--	--
Property Taxes	285,750	265,941	--	--	285,750	265,941
State-Shared Revenues	136,569	139,604	--	--	136,569	139,604
Unrestricted Investment Earnings	18,789	17,605	14,534	8,277	33,323	25,882
Franchise Fees	--	--	--	--	--	--
Transfers and Other Revenue	53,690	1,910	21,471	91,540	75,161	93,450
Total Revenues	\$517,261	\$445,550	\$597,745	\$238,313	\$1,115,006	\$684,363
Program Expenses						
General Government	\$151,008	\$144,201	\$ --	\$ --	\$151,008	\$144,201
Public Safety	107,563	85,383	--	--	107,563	85,383
Public Works	11,359	25,759	--	--	11,359	25,759
Health and Welfare	68,816	107,316	--	--	68,816	107,316
Community and Economic Development	--	--	--	--	--	--
Recreation and Culture	71,134	61,465	--	--	71,134	61,465
Loss on Sale	--	--	--	--	--	--
Transfer	21,471	91,540	--	--	21,471	91,540
Water and Sewer	--	--	45,798	33,954	45,798	33,954
Total Expenses	\$431,351	\$515,664	\$45,798	\$33,954	\$477,149	\$549,618
Change in Net Assets	\$85,910	(\$70,114)	\$551,947	\$204,359	\$637,857	\$134,745

Business-Type Activities

The Township's business-type activities consist of the Water and Sewer Fund.

The Township's Funds

Our analysis of the Township's major funds begins on page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2008 include the General Fund, the Fire Fund, and the Ambulance Fund.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year.

Management's Discussion and Analysis

Capital Assets and Debt Administration

At the end of 2008, the Township had \$1,668,687 invested in a broad range of capital assets, including buildings, constable and fire equipment, and water and sewer lines. In addition, the Township has invested Metro Funds in roads within the Township.

List of Accomplishments for current fiscal year

Water and Sewer

Work on the US 41 Water Line Extension project began in April 2007 and was completed in September of 2007. This work included a pump station, installing water lines on Usimaki and Power Dam Rd.'s and also along US 41. In September 2007 all customers in the project area who wished to connect were receiving water. In December the Township water Committee met with the Village of L'Anse Manager to discuss joint water, sewer and fire protection issues. In January 2008 the Township Water Committee passed a resolution adjusting sewer rates within the Township to be commensurate with rates in the Village of L'Anse.

Elections

The annual School Election was held on May 8, 2007 with 485 voters casting ballots. During the year the voter registrations old Cardex system was transferred over to a plastic bind system enabling voter signatures to be easier to locate. The absentee voter ballot application was added to the Township website making it easier for registered voters to apply absentee ballots if needed. During the year a grant submission of \$8,000 to the Bureau of Elections in an attempt at obtaining funds for automating the two entry doors to the Town Hall. Completion of the project was necessary to receive the grant funds. Mike Whitman contracting was awarded the project on bids and the grant was awarded from the Bureau of Elections.

Maintenance and Blight

Several maintenance projects were taken on and completed during the year. These projects consisted of finishing the painting of the town Hall, new carpeting in the meeting and voting area, new sink and cupboard in the treasurer's office, a new rear entry door was installed in the clerks office and new windows were installed at the Information Center. The Township also sold various out of use and obsolete equipment on bids bring in \$928.00.

The Supervisor and the Blight Inspector continued to work together on blight matters within the Township. Most matters have been resolved.

Parks and Cemeteries

A grant from the Plum Creek Foundation in the amount of \$3,000 for new playground equipment was awarded to the Township. After the removal of an old merry-go-round new playground equipment was installed at cost of \$4,800 the difference being underwritten by the Township. Logging of Aspen was contracted on park property, the ball fields and along US 41. The logging contractor also created permanent berms to discourage vehicle traffic in logged areas and park personnel erected snow fencing to block logging roads accessing Township properties near the park. Youth baseball and softball programs were active again this year at the ball field with Dan Hoggard supervising. In order to eliminate maintenance and labor portable toilets were used again at Second Sand Beach and a dumpster was placed at the park to handle refuse from the park and the beach. A public hearing was held in February for public input regarding a Recreation Plan for 2008-2012.

Yearly cleaning and maintenance at the Pequaming and Aura cemeteries were performed and completed before the Memorial Day Weekend.

Fire and Ambulance

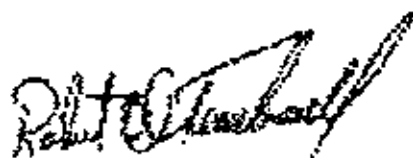
The board approved a service agreement with Bay Ambulance Service for their services from 1/1/08 thru 12/31/08. The board also approved a service agreement with Covington Ambulance. Also approved was a resolution to place a one mill Ambulance Services Proposition renewal on the August 2008 primary election ballot. Again the Township has supported the fire dept's efforts to update and upgrade their skills.

The Board

Board members attended several different workshops and seminars to stay current with their duties and responsibilities. The board also is a part of and actively participates in BCCMTA meetings throughout the year. The board is also in the process of revitalizing zoning and land use implementation issues with the direction of Pat Colman of UP Engineers and Architects. The board collaborated with Baraga County Memorial Hospital in allowing the use of the town hall for fitness activities and for a health walk along Bayshore Dr.. The Supervisor, Treasurer and Clerk have been working hard at cataloging documents and papers such as agreements and resolutions that have strategic importance to the Township in order to provide solid reference to future boards.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.



Robert Trembreull
Township Supervisor

Township of L'Anse
Government Wide Statement of Net Assets
March 31, 2008

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 570,572	\$ 344,104	\$ 914,676	\$ -
Investment	-	-	-	-
Receivables (Net)	67,358	1,085	68,443	-
Internal Balances	-	-	-	-
Inventories	-	-	-	-
Assets Restricted by Bond Indentures	-	-	-	-
Capital Assets - Net	434,083	1,271,217	1,705,300	-
Total Assets	\$ 1,072,013	\$ 1,616,406	\$ 2,688,419	\$ -
LIABILITIES				
Accounts Payable	\$ 3,730	\$ 53,365	\$ 57,095	\$ -
Accrued and Other Liabilities	-	-	-	-
Deferred Revenue	-	-	-	-
Noncurrent Liabilities				
Due Within One Year	-	13,974	13,974	-
Due in More than One Year	-	583,640	583,640	-
Total Liabilities	3,730	650,979	654,709	-
NET ASSETS				
Investment in Capital Assets				
Net of Related Debt	\$ 434,083	\$ 54,707	\$ 488,790	\$ -
Restricted for				
Streets and Highways	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	653,915	653,915	-
Other Purposes	-	-	-	-
Unrestricted	634,200	256,805	891,005	-
Total Net Assets	1,068,283	965,427	2,033,710	-
Total Liabilities and Net Assets	\$ 1,072,013	\$ 1,616,406	\$ 2,688,419	\$ -

See Notes to Financial Statements and Independent Auditors Report.

Township of L'Anse
Government Wide Statement of Activities
For year ended March 31, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenditures	Operating		Governmental Activities	Primary Government	
		Charge for Services	Grants and Contributions		Business-Type Activities	Component Units
Primary Government						
General Government	\$151,008	\$ 455	\$ -	\$ (150,553)	-	\$ (150,553)
Public Safety	107,563	8,366	-	(99,197)	-	-
Public Works	11,359	-	-	(11,359)	-	(11,359)
Health and Welfare	68,616	-	-	(68,616)	-	(68,616)
Community and Economic Development	-	-	-	-	-	-
Recreation and Culture	71,134	13,642	-	(57,492)	-	(57,492)
Interest on Long-Term Debt	-	-	-	-	-	-
Transfers to other funds	21,471	-	-	(21,471)	-	(21,471)
Total Governmental Activities	431,351	22,463	-	(408,888)	-	(408,888)
Business-Type Activities						
Water and Sewer	45,796	26,862	534,876	-	515,942	515,942
Total Primary Government	\$477,149	\$ 49,325	\$ 534,876	\$ -	(408,888)	107,054
General Revenues						
Property Taxes				285,750	-	285,750
State-Shared Revenues				136,569	-	136,569
Unrestricted Investment Earnings				16,789	14,534	33,323
Franchise Fees				-	-	-
Miscellaneous				53,690	-	53,690
Special Item - Gain on Sale of Park Land				-	-	-
Transfers				-	21,471	21,471
Total General Revenues - Special Items Transfers				494,798	36,005	530,803
Change in Net Assets				85,910	551,947	637,857
Net Assets - Beginning				982,373	413,480	1,395,853
Net Assets - End				\$ 1,068,283	\$ 965,427	\$ 2,033,710

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Governmental Fund Balance Sheet
March 31, 2008

	General Fund	Fire Millage Fund	Ambulance Millage Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 410,367	\$ 36,208	\$ 115,050	\$ 8,947	\$ 570,572
Investments	-	-	-	-	-
Receivables (Net)	1,791	-	-	-	1,791
Due From Other Funds	53,480	-	-	30	53,510
Receivable From Other Governments	4,259	3,900	3,898	-	12,057
Inventories	-	-	-	-	-
Total Assets	\$ 469,897	\$ 40,108	\$ 118,948	\$ 8,977	\$ 637,930
LIABILITIES					
Accounts Payable	\$ 2,985	\$ -	\$ -	\$ -	\$ 2,985
Due to Other Funds	-	697	-	48	745
Payable to Other Governmentals	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	2,985	697	-	48	3,730
Fund Balances					
Restricted for					
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Other Purposes	-	-	-	-	-
Unrestricted	466,912	39,411	118,948	8,929	634,200
Total Fund Balances	466,912	39,411	118,948	8,929	634,200
Net Assets of Governmental Activities	\$ 469,897	\$ 40,108	\$ 118,948	\$ 8,977	\$ 637,930

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
 Governmental Statement of Revenue, Expenditures and Changes in Fund Balance
 Year Ended March 31, 2008

	General Fund	Fire Millage Fund	Ambulance Millage Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 124,013	\$ 80,844	\$ 80,893	\$ -	\$ 285,750
Licenses & permits	-	-	-	-	-
Intergovernmental revenue					-
Federal	2,033	2,069	2,010		6,112
State	128,697	-	-	1,760	130,457
Charges for services	67,787	590	-	7,776	76,153
Fines & forfeits	400	-	-	-	400
Interest & rents	14,664	928	3,197	-	18,789
Other revenue	-	-	-	-	-
Total Revenues	337,594	84,431	86,100	9,536	517,661
Expenditures					
Current					
General government	147,376				147,376
Public safety	14,159	73,024		9,995	97,178
Public works	11,359				11,359
Health and Welfare	-		68,816		68,816
Recreation and Culture	66,095				
Other					
Capital Outlay		7,035			7,035
Debt Service					
Total Expenditures	238,989	80,059	68,816	9,995	331,764
Excess Revenues Over (Under)	98,605	4,372	17,284	(459)	185,897
Transfers In					
Transfers Out	(21,471)				(21,471)
Bond Proceeds					
Total other Financing Sources	(21,471)	-	-	-	(21,471)
Excess Revenue and Other Sources Over / (Under)	77,134	4,372	17,284	(459)	164,426
Fund Balance -- April 1, 2006	390,178	22,367	128,786	8,620	549,951
Fund Balance -- March 31, 2007	467,312	26,739	146,070	8,161	714,377
Change in Net Assets of Governmental Activities	77,134	4,372	17,284	(459)	164,426

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
March 31, 2008

Total Fund Balance - Governmental Activities per Balance Sheet page 10	\$ 634,200
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Amounts reported for governmental activities
in the Statement of Net Assets are different
because:

1	Capital assets used in governmental activities are not financial resources and therefore not recorded in the funds	446,105
---	--	---------

2	Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those is depreciated over their estimated useful lives and reported as depreciation expense
---	---

Capital Outlay	\$ 13,052	
Depr. Exp & Disposals	<u>(25,074)</u>	
		<u>(12,022)</u>

Total Net Assets - Governmental Activities per Balance Sheet page 9	<u><u>\$ 1,068,283</u></u>
--	----------------------------

Township of L'Anse
Proprietary Fund Statement of Net Assets
March 31, 2008

	Sewer Contingency Fund	US 41 Water Fund	Totals Business - Type Activities
ASSETS			
Cash in bank	\$ 325,323	\$ 18,781	\$ 344,104
Accounts receivable	-	1,085	1,085
Allowance for doubtful accounts	-	-	-
Engineering	-	-	-
Utility plant and system	626,997	905,740	1,532,737
Equipment	-	-	-
Accumulated depreciation	(250,194)	(11,326)	(261,520)
TOTAL ASSETS	\$ 702,126	\$ 914,280	\$ 1,616,406
LIABILITIES			
Accounts payable	\$ -	\$ 600	\$ 600
Due to General Fund	-	52,765	52,765
Due to Other Gov't Units	-	-	-
Revenue bonds payable	390,614	207,000	597,614
TOTAL LIABILITIES	390,614	260,365	650,979
FUND EQUITY			
Contributed capital	54,707	-	54,707
Retained earnings (deficit):			
Unreserved	256,805	-	256,805
Reserved	-	653,915	653,915
TOTAL FUND EQUITY	311,512	653,915	965,427
TOTAL LIABILITIES AND FUND EQUITY	\$ 702,126	\$ 914,280	\$ 1,616,406

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Proprietary Funds
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
For the year ended March 31, 2008

	Sewer Contingency Fund	US 41 Water Fund	Totals Business - Type Activities
<u>OPERATING REVENUES</u>			
Charges for services	\$ 17,392	\$ 9,470	\$ 26,862
Other operating revenue	-	534,878	534,878
TOTAL OPERATING REVENUE	<u>17,392</u>	<u>544,348</u>	<u>561,740</u>
<u>OPERATING EXPENSES</u>			
Salaries and wages	-	-	-
Contracted services	-	-	-
Bad Debts	-	-	-
Utilities	-	-	-
Repairs and maintenance	-	-	-
Insurance	-	-	-
Professional fees	-	-	-
Provision for depreciation	15,567	11,326	26,893
Miscellaneous	-	-	-
TOTAL OPERATING EXPENSES	<u>15,567</u>	<u>11,326</u>	<u>26,893</u>
OPERATING INCOME (LOSS)	1,825	533,022	534,847
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest on investments	14,269	265	14,534
Interest expense on bonds	(17,747)	(1,158)	(18,905)
Disaster Assistance grant	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(3,478)</u>	<u>(893)</u>	<u>(4,371)</u>
Operating Transfers in (out)	<u>21,471</u>	<u>-</u>	<u>21,471</u>
NET INCOME (LOSS)	19,818	532,129	551,947
Retained earnings at April 1	<u>236,987</u>	<u>121,786</u>	<u>358,773</u>
RETAINED EARNINGS AT MARCH 31	<u>\$ 256,805</u>	<u>\$ 653,915</u>	<u>\$ 910,720</u>

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Proprietary Funds
Combined Statement of Cash Flow
For the Year ended March 31, 2008

	Sewer Contingency Fund	US 41 Water Fund	Total Business - Type Activities
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating Income	\$ 19,818	\$ 532,129	\$ 551,947
Adjustments to reconcile operating income to net cash provided by operating activities:			-
Depreciation	15,567	11,326	26,893
Changes in assets and liabilities:			-
(increase) Decrease in accounts receivable	-	(1,085)	(1,085)
(increase) Decrease in Due from other Funds	-	(6,720)	(6,720)
Increase (Decrease) in accounts payable	-	599	599
Increase (Decrease) in Due to General Fund	-	39,580	39,580
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>35,385</u>	<u>575,829</u>	<u>611,214</u>
CASH FLOWS PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCIAL ACTIVITIES			
Payments on revenue bonds	(13,151)	-	(13,151)
Payments for capital acquisitions	-	(771,152)	(771,152)
(Increase) Decrease of restricted assets	-	-	-
CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCIAL ACTIVITIES	<u>(13,151)</u>	<u>(771,152)</u>	<u>(784,303)</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Bond Proceeds	<u>-</u>	<u>194,000</u>	<u>194,000</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>194,000</u>	<u>194,000</u>
NET INCREASE (DECREASE) IN CASH	22,234	(1,323)	20,911
Cash at April 1	<u>303,089</u>	<u>20,104</u>	<u>323,193</u>
Cash at March 31	<u>\$ 325,323</u>	<u>\$ 18,781</u>	<u>\$ 344,104</u>

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Notes to Financial Statements
March 31, 2008

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of L'Anse, Michigan ("the Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

A. Reporting Entity

The Township of L'Anse was organized under general law of the state of Michigan in 1867 and is governed by a Board of Trustees, which consists of 5 members, each of whom are elected. The township provides, or contributes to the providing of, the following services to its residents: public safety (fire and inspections), public works, culture and recreation, general administrative and other services.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measure Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Fund - The fire fund accounts for revenue sources that are legally restricted for use on local fire protection.

Ambulance Fund - The ambulance fund accounts for revenue sources that are legally restricted for use for local emergency medical services.

The government reports the following major proprietary funds:

Sewer Contingency Fund - The sewer contingency fund accounts for revenue sources that are used to operate, manage and maintain the townships sewer system.

US 41 Water Project Fund - The US 41 Water Project fund accounts for revenue sources that are used to operate, manage and maintain a water extension project.

Additionally, the government reports the following non-major fund types:

Liquor Law Enforcement, Electric permit, Building and zoning.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-- Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-- In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items-- Inventories are not significant and have not been recognized in any of the funds.

Restricted Assets-- The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Local Unit of Government's water and sewer lines.

Capital Assets-- Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$2,523 of interest expense was capitalized as part of the cost of assets under construction.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	10 to 30 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

Compensated Absences (Vacation and Sick Leave)--It is the township's policy not to permit employee's any sick or vacation pay benefits.

Long-Term Obligations-- In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity-- In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The primary government follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least one formal hearing conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to March 31, or each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

- d. The general statute governing the Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Township Board, through policy action, specifically directs the Supervisor not to authorize or participate in any expenditure of funds except as authorized by the General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.
- e. The Township Supervisor is authorized by means of the Township policy to make certain transfers:
 - 1. The Supervisor receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or group(s) and amounts to be affected within prescribed limitations. The Board must approve transfers in excess of those limitations.
 - 2. The following considerations must be reviewed in determination of transfer approvals:
 - a. Are the transfers consistent with the intent of the Board in adopting the annual budget?
 - b. Will the transfer maintain the financial integrity of the Township?
 - c. Will the transfer provide a reasonable solution to the departmental operating problem?

Considering the above, the Supervisor will then decide whether or not the transfer should be made.

Supplemental appropriations are submitted to and reviewed by the Township Supervisor and submitted to the Budget Committee for further consideration. If approved, they are transmitted to the Township Board for their review and approval. If approved, they are implemented by the Supervisor's Office through a budget revision.

- f. The Township adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary control exists at the most detailed level adopted by the Board, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control resides at the line item level.
- g. Budgets for the General and Special Revenue Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

All annual appropriations lapse at fiscal year end.

Excess of Expenditures Over Appropriations in Budgeted Funds—During the year, the Local Governmental Unit incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated as follows:

<u>Budget Item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditures</u>	<u>Difference</u>
General Fund	None	None	None
Fire Fund			
Total Expenditures	\$73,000	\$80,059	(\$7,059)
Ambulance Fund			
Total Expenditures	\$65,618	\$68,816	(\$3,198)
Liquor Law Enforcement	None	None	None
Building and Zoning	None	None	None
Electrical Permits	None	None	None

Fund Deficits-- The Local Governmental Unit has accumulated fund balance/retained earning deficits in the following individual funds

<u>Fund</u>	<u>Deficit</u>	<u>Fund Equity</u>
Building and Zoning Fund	\$24	(\$30)

NOTE 3--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The L'Anse Township Board has designated three banks/credit unions for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority

At year-end, the L'Anse Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Cash and Cash Equivalents	\$570,572	\$344,104	\$	\$914,676	\$ --
Investments	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Total	\$570,572	\$344,104	\$	\$914,676	\$ --

Township of L'Anse
Notes to Financial Statements
March 31, 2008

The breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank Deposits (checking and savings accounts, certificates of deposit)	\$914,576	\$ --
Investments in Securities, Mutual Funds and Similar Vehicles	--	--
Petty Cash and Cash on Hand	100	--
Total	\$914,676	\$ --

The bank balance of the primary government's deposits is \$914,576 of which \$293,510 is covered by federal depository insurance and \$750,000 is collateralized by municipal bonds held by the pledging financial institution's trust department in the government's name.

Investments are categorized into those three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.

At year-end, the government's investment balances were categorized as follows:

	Category			Reported Amount (Fair Value)
	1	2	3	
Primary Government				
U.S. Government Securities	\$ --	\$ --	\$ --	\$ --
Commercial Paper	--	--	--	--
Repurchase Agreements	--	--	--	--
Subtotal	\$ --	\$ --	\$ --	
Investments Not subject to Categorization				
Mutual Funds				
Bank Investment Pools				
Total Primary Government				\$ --
Component Units				
Bank Investment Pools				\$ --

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Governmental funds report no deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned
Delinquent Property Taxes	\$ --	\$ --
Special Assessments	--	--
Grant Drawdowns Prior to Meeting all Eligibility Requirements	--	--
	--	--
Total	\$ --	\$ --

NOTE 4—CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$301,514	\$--	\$--	\$301,514
Construction in Progress	--	--	--	--
Subtotal	301,514	--	--	301,514
Capital Assets Being Depreciated				
Buildings	1,122,934	--	--	1,122,934
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	232,116	13,051	928	244,239
Infrastructure	--	--	--	--
Subtotal	1,656,564	13,051	928	1,668,687
Less Accumulated Depreciation for				
Buildings	1,023,650	3,909	--	1,027,559
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	186,809	20,236	--	207,045
Infrastructure	--	--	--	--
Subtotal	1,210,459	24,145	--	1,234,604
Net Capital Assets Being Depreciated	446,105	--	--	434,083
Governmental Activities Capital Total	\$1,656,564	\$13,051	\$928	\$1,668,687
Capital Assets—Net Depreciation	\$446,105	\$--	\$12,022	\$434,083

Township of L'Anse
Notes to Financial Statements
March 31, 2008

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated	\$--	\$--	\$--	\$--
Land	--	--	--	--
Construction in Progress	--	--	--	--
Subtotal	--	--	--	--
Capital Assets Being Depreciated				
Buildings	--	--	--	--
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	--	--	--	--
Infrastructure	626,997	905,740	--	1,532,737
Subtotal	626,997	905,740	--	1,532,737
Less Accumulated Depreciation for				
Buildings	--	--	--	--
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	--	--	--	--
Infrastructure	234,627	26,893	--	261,520
Subtotal			--	--
Net Capital Assets Being Depreciated	392,370	878,847	--	1,271,217
Governmental Activities Capital Total	\$626,997	\$605,740	\$--	\$1,532,737
Capital Assets—Net Depreciation	\$234,627	\$26,893	\$--	\$261,520

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
General Government	\$2,704
Public Safety	10,385
Public Works	--
Economic Development	--
Recreation and Culture	11,056
Internal Service Fund Depreciation is Charged to the Various Functions Based on Their Usage of the Assets	--
Total Governmental Activities	<u>\$24,145</u>
Business-Type Activities	
US 41 Water Project	\$11,326
Sewer Contingency	<u>\$15,567</u>
Total Business-Type Activities	<u>\$26,893</u>

Township of L'Anse
Notes to Financial Statements
 March 31, 2008

Construction Commitments—The government has no active construction projects at year-end.

NOTE 5—INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due To/From Other Funds		
General	US 41 Water Fund	\$52,765
Electrical Fund	Building & Zoning Fund	30
		<hr/>
Total		<u>\$52,795</u>

Interfund Transfers

	<u>Transfers (Out)</u>		<u>Total</u>
	<u>Water and Sewer</u>	<u>Non-Major Governmental Funds</u>	
Transfers In			
General Fund	\$21,471	\$ --	\$21,471
			<hr/>
Total	\$21,471	\$ --	<u>\$21,471</u>

NOTE 6—LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

The revenue bonds payable reflected in the Sewer Contingency Fund of general obligation and revenue bonds were incurred for the sanitary system on behalf of the Township. The Village of L'Anse and the Township of L'Anse have entered into a contract with the Baraga County Board of Public Works for the local share of the financing of a sanitary sewer system. The Baraga County Board of Public Works issued Baraga County Sanitary System No. 2 Bonds to finance this project. Annual transfers equal to principal and interest payments on the debt are made based on contractual agreements by those local units deriving revenues and benefits from the facilities. The revenue bond payable reflected in the US 41 Water Fund was incurred to fund an extension of the water and sanitary system on behalf of the Township. The remaining payment schedule on the bonds is as follows:

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Business-Type Activities						
Revenue Bonds						
System # 1	5%	2042	\$128,232	(\$9,864)	\$118,368	\$10,686
System # 2	4.5%	2018	275,534	(3,288)	272,246	3,288
US 41 Project	4.25%	2047	--	207,000	207,000	2,000
Total Business-Type Activities			\$403,766	\$193,848	\$597,614	\$15,974

Annual debt service requirements to maturity for the above obligations are as follows:

Year End March 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ --	\$ --	\$15,974	\$26,967
2010	--	--	16,960	26,200
2011	--	--	17,125	25,384
2012	--	--	16,467	24,561
2013	--	--	16,635	23,771
2014 - 2042	--	--	514,453	407,831
Total	\$ --	\$ --	\$597,614	\$534,714

Bonds originally issued for (System #1 \$1,710,000 and dated October 17, 1979; System #2 \$1,750,000 and dated December 10, 2001, US 41 Project \$209,000 December 15, 2006), mature annually as scheduled above and bear interest at (System #1 - 5%; System #2 - 4.5%, US 41 Project 4.25%) per annum. Interest is payable (System #1 - May 1 and November 1; System #2 - Jan 1 and July 1, US 41 Project May 1 and November 1).

NOTE 7—SEGMENT INFORMATION

The Township maintains two enterprise funds: a Sewer Contingency Fund and US 41 Water Project. Condensed segment information for the period ended March 31, 2008 is as follows:

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Condensed Statement of Net Assets

Assets	
Current Assets	\$345,189
Due From Other Funds	--
Restricted Assets	--
Capital Assets	<u>1,271,575</u>
Total Assets	<u>\$1,616,764</u>
Liabilities	
Current Liabilities	\$600
Due to Other Funds	52,765
Current Liabilities Payable From Restricted Assets	--
Noncurrent Liabilities	<u>597,614</u>
Total Liabilities	650,979
Net Assets	
Invested in Capital Assets	54,707
Restricted	654,273
Unrestricted	<u>256,805</u>
Total Net Assets	<u>965,785</u>
Total Liabilities and Net Assets	<u>\$1,616,764</u>

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

Sewer Charges (Pledged Against Bonds)	\$25,363
Grants	536,735
Depreciation Expense	(26,893)
Other Operating Expenses	<u>--</u>
Operating Income	535,205
Nonoperating Revenue (Expense)	
Investment Earnings	14,534
Interest Expense	(18,905)
Operating Transfers in (out)	<u>21,471</u>
Changes in Net Assets	552,305
Beginning Net Assets	<u>413,480</u>
Ending Net Assets	<u><u>\$965,785</u></u>

Township of L'Anse
Notes to Financial Statements
March 31, 2008

Condensed Statement of Cash Flows

Net Cash Provided by (Used in)	
Operating Activities	\$609,050
Noncapital Financing Activities	--
Capital and Related Financing Activities	(782,140)
Investing Activities	<u>194,000</u>
Net Increase (Decrease)	20,910
Beginning Cash and Cash Equivalents	<u>323,194</u>
Ending Cash and Cash Equivalents	<u>\$344,104</u>

NOTE 8—RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>US 41 Water</u> <u>Project</u>	<u>Sewer Contingency Fund</u> System #1	System #2	<u>Totals</u>
Unspent Bond Proceeds	\$--	\$--	\$--	\$ --
Revenue Bond Restrictions				
Operations and Maintenance Account	--	--	--	--
Improvement and Replacement Account	1,250	--	*	1,250
Bond Interest and Redemption	6,249	--	--	6,249
Bond Reserve	<u>11,282</u>	--	--	<u>11,282</u>
Total Restricted Assets	<u>\$18,781</u>	\$--	\$--	<u>\$18,781</u>

NOTE 9—RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township maintains insurance coverage through the Michigan Township Participating Plan, which covers each of the risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the township. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Township of L'Anse
Notes to Financial Statements
March 31, 2008

NOTE 10—EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

The Township has a defined contribution retirement plan through John Hancock Life Insurance, Co. covering all elected officials. The Township's contribution for all funds amounted to \$6,702 for the year ended March 31, 2008. The funds vest immediately.

The premium due under the policy, which is paid totally by the Township, is based on the elected official's income level. The plan's value at December 31, 2008 is not available.

Required Supplemental Information

Township of L'Anse
Budgetary Comparison Schedule
General Fund
Year ended March 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Beginning Budgetary Fund Balance	\$ 390,178	\$ 390,178	\$ 390,178	-
Resources (Inflows):				
Taxes	103,859	103,859	124,013	(20,154)
Licenses & permits	-	-	-	-
Intergovernmental revenue				-
Federal	1,290	1,290	2,033	(743)
State	140,480	145,670	128,697	16,973
Charges for services	51,070	62,070	67,787	(5,717)
Fines & forfeits	400	400	-	400
Interest & rents	12,960	12,960	14,664	(1,704)
Other revenue	-	-	-	-
Amounts available for Appropriations	700,237	716,427	727,372	(10,945)
Charges to Appropriation (Outflows):				
General government				-
Township Board	10,455	11,055	10,347	708
Supervisor	18,865	21,335	20,160	1,175
Elections	3,310	1,809	406	1,403
Assessor / Equalization	23,702	24,873	24,203	670
Clerk	18,198	18,198	16,531	1,667
Board of Review	2,007	2,337	2,454	(117)
Treasurer	29,812	30,212	28,554	1,658
Township Properties	54,078	47,278	39,228	8,050
Cemetery	675	675	493	182
Legal and Accounting	5,500	5,500	5,000	500
Public safety				
Planing and zoning	8,170	23,620	14,159	9,461
Public works				
Street lights	6,835	7,835	7,354	481
Sanitation, refuse collection	595	745	695	50
Highways and streets	1,300	3,567	3,310	257
Recreation & culture	65,490	66,590	66,095	495
Transfers to other funds	60,000	60,000	21,471	38,529
Total Charges to Appropriations	308,992	325,629	260,460	65,169
Ending Budgetary Fund Balance	\$ 391,245	\$ 390,798	\$ 466,912	\$ (76,114)

Township of L'Anse
Budgetary Comparison
Fire Fund
For year ended March 31, 2008

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Beginning Budgetary Fund Balance	\$ 22,367	\$ 22,367	\$ 22,367	\$ -
Resources (Inflows):				
Taxes	76,338	76,338	80,844	(4,506)
Licenses & permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Federal	2,000	2,000	2,069	(69)
State	-	-	-	-
Charges for services	600	600	590	10
Fines & forfeits	-	-	-	-
Interest & rents	500	500	928	(428)
Other revenue	-	-	-	-
Amounts available for Appropriations	101,805	101,805	106,798	(4,993)
Charges to Appropriation (Outflows):				
Personal services	-	-	-	-
Capital outlay	3,000	3,000	7,035	(4,035)
Other current expenditures	70,000	70,000	73,024	(3,024)
Total Charges to Appropriations	73,000	73,000	80,059	(7,059)
Ending Budgetary Fund Balance	<u>\$ 28,805</u>	<u>\$ 28,805</u>	<u>\$ 26,739</u>	<u>\$ 2,066</u>

Township of L'Anse
Budgetary Comparison Schedule
Ambulance Fund
For year ended March 31, 2008

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Beginning Budgetary Fund Balance	\$ 128,786	\$ 128,786	\$ 128,786	\$ -
Resources (Inflows):				
Taxes	74,171	74,171	80,893	(6,722)
Licenses & permits				-
Intergovernmental revenue				-
Federal	2,000	2,000	2,010	(10)
State				-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest & rents	2,900	2,900	3,197	(297)
Other revenue	-	-	-	-
Amounts available for Appropriations	207,857	207,857	214,886	(7,029)
Charges to Appropriation (Outflows):				
Personal services	-	-	-	-
Capital outlay	-	-	-	-
Other current expenditures	65,618	65,618	68,816	(3,198)
Total Charges to Appropriations	65,618	65,618	68,816	(3,198)
Ending Budgetary Fund Balance	<u>\$ 142,239</u>	<u>\$ 142,239</u>	<u>\$ 146,070</u>	<u>\$ (3,831)</u>

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Budgetary Comparison Schedule
Nonmajor Funds
For year ended March 31, 2008

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Beginning Budgetary Fund Balance	\$ 8,620	\$ 8,620	\$ 8,620	\$ -
Resources (Inflows):				
Taxes	-	-	-	-
Licenses & permits	-	-	-	-
Intergovernmental revenue				-
Federal	-	-	-	-
State	1,800	1,800	1,760	40
Charges for services	7,870	7,870	7,776	94
Fines & forfeits	-	-	-	-
Interest & rents	-	-	-	-
Other revenue	-	-	-	-
Amounts available for Appropriations	18,290	18,290	18,156	134
Charges to Appropriation (Outflows):				
Salaries & Wages	2,800	2,800	1,007	1,793
Contracted services	8,100	8,100	6,770	1,330
Capital outlay	-	-	-	-
Other current expenditures	2,150	2,200	2,218	(18)
Total Charges to Appropriations	13,050	13,100	9,995	3,105
Ending Budgetary Fund Balance	\$ 5,240	\$ 5,190	\$ 8,161	\$ (2,971)

Other Supplemental Information

Township of L'Anse
General Fund
Balance Sheet
March 31, 2008

	March 31, 2008
ASSETS	
Cash and investments	
Unrestricted	\$ 410,367
Restricted	-
Receivables	
Accounts (net)	1,791
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	53,480
Due from others	4,259
Prepaid expense and other assets	-
TOTAL ASSETS	\$ 469,897
LIABILITIES	
Accounts Payable	\$ 2,985
Cash & investment overdrafts	-
Due to other funds	-
Due to others	-
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	-
TOTAL LIABILITIES	2,985
FUND EQUITY	
FUND BALANCE	
Unrestricted	466,912
Reserved	-
TOTAL FUND BALANCE	466,912
TOTAL LIABILITIES & EQUITY	\$ 469,897

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
General Fund Revenues, Budget to Actual
For the year ended March 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Property Taxes				
Operating tax levy	\$ 76,299	\$ 76,299	\$ 95,039	\$ 18,740
Delinquent tax collection and interest	180	180	31	(149)
Trailer Park taxes	80	80	72	(8)
Administrative fees	27,300	27,300	28,871	1,571
Total General Property Taxes	<u>\$ 103,859</u>	<u>\$ 103,859</u>	<u>\$ 124,013</u>	<u>\$ 20,154</u>
Licenses and Permits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental Revenue				
Payments in Lieu of taxes				
Swamp Lands	\$ -	\$ -	\$ -	\$ -
Commercial Forest Reserves	-	-	-	-
State shared taxes	140,480	145,670	128,697	(16,973)
Total State Shared Revenues	<u>140,480</u>	<u>145,670</u>	<u>128,697</u>	<u>(16,973)</u>
Federal Grants				
Payments in Lieu of taxes - National Forest	1,290	1,290	2,033	743
Total Federal Shared Revenues	<u>1,290</u>	<u>1,290</u>	<u>2,033</u>	<u>743</u>
Reimbursements from other governments	-	-	-	-
Total Intergovernmental Revenue	<u>\$ 141,770</u>	<u>\$ 146,960</u>	<u>\$ 130,730</u>	<u>\$ (16,230)</u>
Charges for Services				
Charges for services	\$ 400	\$ 400	\$ 455	\$ 55
Rentals & Park Fees	13,070	13,070	13,642	572
Miscellaneous	37,600	48,600	53,690	5,090
Total Charges for Services	<u>\$ 51,070</u>	<u>\$ 62,070</u>	<u>\$ 67,787</u>	<u>\$ 5,717</u>
Fines and forfeits	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ 12,960</u>	<u>\$ 12,960</u>	<u>\$ 14,664</u>	<u>\$ 1,704</u>
Other Revenue	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenue	<u>\$ 310,059</u>	<u>\$ 326,249</u>	<u>\$ 337,194</u>	<u>\$ 10,945</u>

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
General Fund
Detail of Expenditures, Budget to Actual
For the year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
LEGISLATIVE				
TOWNSHIP BOARD				
Personal Services, Salaries wages				
Salaries and wages	\$ 5,735	\$ 5,453	\$ 5,425	\$ 28
Employee benefits	1,650	1,650	1,232	418
Total Personal Services, Salaries	7,385	7,103	6,657	446
Capital outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	80	80	-	80
Office supplies	240	240	68	172
Travel	150	150	150	-
Printing and Publishing	1,200	2,082	2,082	-
Dues and Memberships	1,400	1,400	1,390	10
Miscellaneous	-	-	-	-
Total Other Current Expenditures	3,070	3,952	3,690	262
Total Township Board	10,455	11,055	10,347	708
Total Legislative	\$ 10,455	\$ 11,055	\$ 10,347	\$ 708
General Government				
Supervisor				
Personal Services, Salaries wages				
Salaries and wages	\$ 14,645	\$ 15,845	\$ 15,033	\$ 812
Employee benefits	3,600	3,885	3,629	256
Total Personal Services, Salaries	18,245	19,730	18,662	1,068
Capital outlay	-	-	-	-
Other Current Expenditures				
Office Supplies	120	20	81	(61)
Travel	500	1,585	1,417	168
Miscellaneous	-	-	-	-
Total Other Current Expenditures	620	1,605	1,498	107
Total Supervisor	\$ 18,865	\$ 21,335	\$ 20,160	\$ 1,175
Elections				
Personal Services, Salaries wages				
Salaries and wages	-	\$ -	\$ -	\$ -
Employee benefits	-	-	-	-
Total Personal Services, Salaries	-	-	-	-
Capital outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	1,300	1,300	160	-
Office Supplies	-	-	-	-
Operating Supplies	1,710	309	246	63
Printing and Publishing	300	200	-	200
Miscellaneous	-	-	-	-
Total Current Expenditures	3,310	1,809	406	1,403
Total Elections	\$ 3,310	\$ 1,809	\$ 406	\$ 1,403
Assessor/Equalization				
Personal Services, Salaries wages				
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Employee benefits	-	-	-	-
Total Personal Services, Salaries	-	-	-	-
Capital outlay	-	-	-	\$ -
Other Current Expenditures				
Contracted Services	21,812	23,313	23,313	-
Office Supplies	850	900	890	10
Operating Supplies	250	200	-	200
Travel	500	170	-	170
Printing and Publishing	-	-	-	-
Miscellaneous	290	290	-	290
Total Current Expenditures	23,702	24,873	24,203	380
Total Assessor/Equalization	\$ 23,702	\$ 24,873	\$ 24,203	\$ 670

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
General Fund
Detail of Expenditures, Budget to Actual (continued)
For the year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Clerk				
Personal Services, Salaries wages				
Salaries and wages	\$ 14,393	\$ 14,393	\$ 13,175	\$ 1,218
Employee benefits	3,200	3,200	3,102	98
Total Personal Services, Salaries	17,593	17,593	16,277	1,316
Capital Outlay	-	-	-	-
Other Current Expenditures				
Office Supplies	500	105	100	5
Operating Supplies	25	300	55	245
Travel	80	200	99	101
Printing and Publishing	-	-	-	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	605	605	254	351
Total Clerk	\$ 18,198	\$ 18,198	\$ 16,531	\$ 1,667
Board of Review				
Personal Services, Salaries wages				
Salaries and wages	\$ 1,705	\$ 2,015	\$ 2,015	\$ -
Employee benefits	222	242	239	3
Total Personal Services, Salaries	1,927	2,257	2,254	3
Capital Outlay	-	-	-	-
Other Current Expenditures				
Office Supplies	30	30	-	30
Travel / training	50	50	50	-
Printing and Publishing	-	-	150	(150)
Total Other Current Expenditures	80	80	200	(120)
Total Board of Review	\$ 2,007	\$ 2,337	\$ 2,454	\$ (117)
Treasurer				
Personal Services, Salaries wages				
Salaries and wages	\$ 21,388	\$ 21,388	\$ 21,263	\$ 125
Employee benefits	4,694	4,694	4,838	(144)
Total Personal Services, Salaries	26,082	26,082	26,101	(19)
Capital Outlay	1,200	1,200	-	1,200
Other Current Expenditures				
Contractual Services	700	690	665	25
Office Supplies	1,170	1,620	1,563	57
Travel	250	210	190	20
Printing and Publishing	270	270	-	270
Repairs and Maintenance	100	100	-	100
Miscellaneous	40	40	35	5
Total Other Current Expenditures	2,530	2,930	2,453	477
Total Treasurer	\$ 29,812	\$ 30,212	\$ 28,554	\$ 1,658
Township Properties				
Personal Services, Salaries and wages				
Salaries and wages	\$ 6,504	\$ 6,504	\$ 6,504	\$ -
Employee benefits	864	864	861	3
Total Personal Services, Salaries	7,368	7,368	7,365	3
Capital Outlay	1,500	1,500	-	1,500
Other Current Expenditures				
Contracted Services	-	-	554	(554)
Office Supplies	260	70	70	-
Operating supplies	660	650	613	37
Utilities	4,740	5,886	5,503	383
Telephone	1,620	1,674	1,674	-
Insurance	9,500	9,500	8,245	1,255
Repairs and Maintenance	28,430	20,430	15,081	5,349
Miscellaneous	-	200	123	77
Total Other Current Expenditures	45,210	38,410	31,863	6,547
Total Township Properties	\$ 54,078	\$ 47,278	\$ 39,228	\$ 8,050

Township of L'Anse
General Fund
Detail of Expenditures, Budget to Actual (Continued)
For the year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Cemetery				
Personal Services, Salaries wages	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	-	-	-	-
Operating Supplies	400	375	200	175
Printing & publishing	25	50	43	7
Repairs & maintenance	250	250	250	-
Total Cemetery	<u>675</u>	<u>675</u>	<u>493</u>	<u>182</u>
Total General government	<u>\$ 150,647</u>	<u>\$ 146,717</u>	<u>\$ 132,029</u>	<u>\$ 14,688</u>
Legal and Accounting				
Other Current Expenditures				
Contracted Services	\$ 5,500	\$ 5,500	\$ 5,000	\$ 500
Miscellaneous	-	-	-	-
Total Legal & Accounting	\$ 5,500	\$ 5,500	\$ 5,000	\$ 500
Public Safety				
Police/Liquor Law Enforcement				
Personal Services, Salaries wages				
Salaries and wages	\$ 400	\$ 400	\$ 160	\$ 240
Employee benefits	60	60	21	39
Total Personal Services, Salaries	<u>460</u>	<u>460</u>	<u>181</u>	<u>279</u>
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	\$ 7,500	\$ 7,380	\$ 5,191	\$ 2,189
Operating Supplies	\$ 150	\$ 150	27	
Travel / Training	-	\$ 120	111	
Printing & publishing	60	60	22	38
Total Other Current Expenditures	<u>7,710</u>	<u>7,710</u>	<u>5,351</u>	<u>2,359</u>
Total Police/Liquor Law Enforcement	<u>8,170</u>	<u>8,170</u>	<u>5,532</u>	<u>2,638</u>
Planning and Zoning				
Personal Services, Salaries wages				
Salaries and wages	-	\$ 3,200	\$ 260	\$ 2,940
Employee benefits	-	-	21	(21)
Total Personal Services, Salaries	<u>-</u>	<u>3,200</u>	<u>281</u>	<u>2,919</u>
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	\$ -	\$ 10,050	\$ 7,524	\$ 2,526
Operating Supplies	-	20	10	
Travel / Training	-	1,680	644	
Printing & publishing	-	500	168	332
Total Other Current Expenditures	<u>-</u>	<u>12,250</u>	<u>8,346</u>	<u>3,904</u>
Total Planning and Zoning	<u>-</u>	<u>15,450</u>	<u>8,627</u>	<u>6,823</u>
Total Public Safety	<u>\$ 8,170</u>	<u>\$ 23,620</u>	<u>\$ 14,159</u>	<u>\$ 9,461</u>
Public Works				
Street Lights				
Personal Services, Salaries wages	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Other Current Expenditures				
Repairs and Maintenance	6,835	7,835	7,354	481
Total Other Current Expenditures	<u>6,835</u>	<u>7,835</u>	<u>7,354</u>	<u>481</u>
Total Street Lights	<u>\$ 6,835</u>	<u>\$ 7,835</u>	<u>\$ 7,354</u>	<u>\$ 481</u>

Township of L'Anse
General Fund
Detail of Expenditures, Budget to Actual (Continued)
For the year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Sanitation, Refuse Collection				
Other Current Expenditures				
Contracted Services	\$ 500	\$ 625	\$ 579	\$ 46
Printing & Publishing	\$ 95	\$ 120	\$ 116	
Total Other Current Expenditures	<u>595</u>	<u>745</u>	<u>695</u>	<u>50</u>
Highways and Streets				
Personal Services, Salaries wages	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	1,300	3,567	3,310	257
Office Supplies	-	-	-	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	<u>\$ 1,300</u>	<u>\$ 3,567</u>	<u>\$ 3,310</u>	<u>\$ 257</u>
Total Public Works	<u>\$ 8,730</u>	<u>\$ 12,147</u>	<u>\$ 11,359</u>	<u>\$ 788</u>
Culture and Recreation				
Parks and Recreation				
Personal Services, Salaries wages				
Salaries and wages	\$ 39,465	\$ 39,137	\$ 38,907	\$ 230
Employee benefits	5,880	5,880	5,860	20
Total Personal Services, Salaries	<u>45,345</u>	<u>45,017</u>	<u>44,767</u>	<u>250</u>
Capital Outlay	5,800	6,017	6,017	-
Other Current Expenditures				
Contracted Services	3,220	3,248	3,246	2
Office Supplies	-	10	6	4
Operating Supplies	3,000	3,490	3,458	32
Printing & Publishing	120	120	50	70
Dues & Memberships	450	450	431	19
Utilities	2,915	3,475	3,475	-
Telephone	300	365	361	4
Insurance	2,000	1,850	1,736	114
Repairs and Maintenance	2,340	2,548	2,548	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	<u>14,345</u>	<u>15,556</u>	<u>15,311</u>	<u>245</u>
Total Parks and Recreation	<u>65,490</u>	<u>66,590</u>	<u>66,095</u>	<u>495</u>
Total Culture and Recreation	<u>\$ 65,490</u>	<u>\$ 66,590</u>	<u>\$ 66,095</u>	<u>\$ 495</u>
Unallocated Other General Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers Out				
Sewer Fund	\$ 60,000	\$ 60,000	\$ 21,471	\$ 38,529
	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 21,471</u>	<u>\$ 38,529</u>
Total Expenditures	<u>\$ 308,992</u>	<u>\$ 325,629</u>	<u>\$ 260,460</u>	<u>\$ 65,169</u>

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Fire Fund
Balance Sheet
March 31, 2008

	<u>March 31, 2008</u>
ASSETS	
Cash and investments	
Unrestricted	\$ 36,208
Restricted	-
Receivables	
Accounts (net)	-
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	-
Due from others	3,900
Prepaid expense and other assets	-
	<u> </u>
TOTAL ASSETS	<u><u>\$ 40,108</u></u>
 LIABILITIES	
Accounts Payable	\$ -
Cash & investment overdrafts	-
Due to other funds	697
Due to others	-
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	-
	<u> </u>
TOTAL LIABILITIES	697
 FUND EQUITY	
FUND BALANCE	
Unrestricted	39,411
Reserved	-
	<u> </u>
TOTAL FUND BALANCE	<u><u>39,411</u></u>
 TOTAL LIABILITIES & EQUITY	<u><u>\$ 40,108</u></u>

See Notes to Financial Statements and Independant Auditors Report

Township of L'Anse
Fire Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Property Taxes				
Operating tax Levy	\$ 76,253	\$ 76,253	\$ 80,813	\$ (4,560)
Delinquent tax collection and interest	85	85	31	54
Tribal Land	-	-	-	-
Administrative fees	-	-	-	-
Total General Property Taxes	<u>76,338</u>	<u>76,338</u>	<u>80,844</u>	<u>(4,506)</u>
Intergovernmental Revenues				
Federal Shared Revenues	2,000	2,000	2,069	(69)
Charges for Services	600	600	590	(10)
Interest	<u>500</u>	<u>500</u>	<u>928</u>	<u>428</u>
Total Revenue	<u>79,438</u>	<u>79,438</u>	<u>84,431</u>	<u>(4,157)</u>
Public Safety				
Fire Protection				
Personal Services, Salaries wages				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Total Personal Services, Salaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	3,000	3,000	7,035	(4,035)
Other Current Expenditures				
Contracted Services	60,000	60,000	60,318	(318)
Operating Supplies	2,000	2,000	3,081	(1,081)
Travel	500	500	343	157
Printing & publishing	-	-	-	-
Utilities	1,800	1,800	3,318	(1,518)
Telephone	500	500	545	(45)
Insurance	3,200	3,200	2,746	454
Repairs & Maintenance	2,000	2,000	2,673	(673)
Miscellaneous	-	-	-	-
Total Other Current Expenditures	<u>70,000</u>	<u>70,000</u>	<u>73,024</u>	<u>(3,024)</u>
Total Fire Protection	<u>73,000</u>	<u>73,000</u>	<u>80,059</u>	<u>(7,059)</u>
Total Public Safety	<u>73,000</u>	<u>73,000</u>	<u>80,059</u>	<u>(7,059)</u>
TOTAL EXPENDITURES	<u>73,000</u>	<u>73,000</u>	<u>80,059</u>	<u>(7,059)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,438	6,438	4,372	<u>\$ 2,902</u>
FUND BALANCE, APRIL 1	<u>35,039</u>	<u>35,039</u>	<u>35,039</u>	
FUND BALANCE MARCH 31	<u>\$ 41,477</u>	<u>\$ 41,477</u>	<u>\$ 39,411</u>	

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Ambulance Fund
Balance Sheet
March 31, 2008

	<u>March 31, 2008</u>
ASSETS	
Cash and investments	
Unrestricted	\$ 115,050
Restricted	-
Receivables	
Accounts (net)	-
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	-
Due from others	3,898
Prepaid expense and other assets	<u>-</u>
TOTAL ASSETS	<u><u>\$ 118,948</u></u>
LIABILITIES	
Accounts Payable	\$ -
Cash & investment overdrafts	-
Due to other funds	-
Due to others	-
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	<u>-</u>
TOTAL LIABILITIES	-
FUND EQUITY	
FUND BALANCE	
Unrestricted	118,948
Reserved	<u>-</u>
TOTAL FUND BALANCE	<u><u>118,948</u></u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 118,948</u></u>

See notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Ambulance Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended March 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Property Taxes				
Operating tax Levy	\$ 74,086	\$ 74,086	\$ 80,863	\$ 6,777
Delinquent tax collection and interest	85	85	30	(55)
Trailer Park taxes	-	-	-	-
Administrative fees	-	-	-	-
Total General Property Taxes	<u>74,171</u>	<u>74,171</u>	<u>80,893</u>	<u>6,722</u>
Intergovernmental Revenues				
Federal Shared Revenues	2,000	2,000	2,010	10
Charges for Services	-	-	-	-
Interest	<u>2,900</u>	<u>2,900</u>	<u>3,197</u>	<u>297</u>
Total Revenue	<u>79,071</u>	<u>79,071</u>	<u>86,100</u>	<u>7,029</u>
Public Safety				
Police and Liquor Law				
Personal Services, Salaries wages				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Total Personal Services, Salaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	65,618	65,618	68,816	(3,198)
Operating Supplies	-	-	-	-
Travel	-	-	-	-
Printing & publishing	-	-	-	-
Utilities	-	-	-	-
Telephone	-	-	-	-
Insurance	-	-	-	-
Repairs & Maintenance	-	-	-	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	<u>65,618</u>	<u>65,618</u>	<u>68,816</u>	<u>(3,198)</u>
Total Police and Liquor Law	<u>65,618</u>	<u>65,618</u>	<u>68,816</u>	<u>(3,198)</u>
Total Public Safety	<u>65,618</u>	<u>65,618</u>	<u>68,816</u>	<u>(3,198)</u>
TOTAL EXPENDITURES	<u>65,618</u>	<u>65,618</u>	<u>68,816</u>	<u>(3,198)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,453</u>	<u>13,453</u>	<u>17,284</u>	<u>\$ (3,831)</u>
FUND BALANCE, APRIL 1	<u>101,664</u>	<u>101,664</u>	<u>101,664</u>	
FUND BALANCE MARCH 31	<u>\$ 115,117</u>	<u>\$ 115,117</u>	<u>\$ 118,948</u>	

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2008

		Special Revenue Funds		
	Liquor Law Enforcement	Electric Permits Fund	Building & Zoning Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments				
Unrestricted	\$ 1,837	\$ 7,106	\$ 4	\$ 8,947
Restricted	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Interest	-	-	-	-
Taxes - current	-	-	-	-
Taxes -delinquent personal	-	-	-	-
Due from Federal Government	-	-	-	-
Due from State of Michigan	-	-	-	-
Due from others funds	-	30	-	30
Due from others	-	-	-	-
Prepaid expense and other assets	-	-	-	-
TOTAL ASSETS	\$ 1,837	\$ 7,136	\$ 4	\$ 8,977
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Cash & investment overdrafts	-	-	-	-
Due to other funds	18	-	30	48
Due to others	-	-	-	-
Due to federal government	-	-	-	-
Due to State of Michigan	-	-	-	-
Accrued payroll	-	-	-	-
Accrued sick and vacation	-	-	-	-
Other current liabilities	-	-	-	-
TOTAL LIABILITIES	18	-	30	48
FUND EQUITY				
FUND BALANCE				
Unrestricted	1,819	7,136	(26)	8,929
Reserved	-	-	-	-
TOTAL FUND BALANCE	1,819	7,136	(26)	8,929
TOTAL LIABILITIES & EQUITY	\$ 1,837	\$ 7,136	\$ 4	\$ 8,977

See Notes to Financial Statements and Independent Auditors Report

Township of L'Anse
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the year ended March 31, 2008

	Liquor Law Fund			Electric Permits Fund			Building & Zoning Fund			Total Nonmajor Funds		
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
General Property Taxes												
Operating Tax Levy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent tax collection and interest	-	-	-	-	-	-	-	-	-	-	-	-
Franklin Park taxes	-	-	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-
Total General Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenues												
State Shared Revenues	1,800	1,800	1,760	(40)	-	-	-	-	1,800	1,800	1,760	(40)
Charges for Services	-	-	-	-	3,900	3,900	2,521	(1,379)	3,970	3,970	2,555	(1,285)
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	<u>1,800</u>	<u>1,800</u>	<u>1,760</u>	<u>(40)</u>	<u>3,900</u>	<u>3,900</u>	<u>2,521</u>	<u>(1,379)</u>	<u>3,970</u>	<u>3,970</u>	<u>5,265</u>	<u>1,285</u>
Personal Services, Salaries wages												
Salaries and wages	2,400	2,400	900	1,500	-	-	-	-	-	-	-	-
Employee benefits	400	400	107	293	-	-	-	-	-	-	-	-
Total Personal Services, Salaries	<u>2,800</u>	<u>2,800</u>	<u>1,007</u>	<u>1,793</u>	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Expenditures												
Contracted Services	-	-	-	-	2,900	2,900	1,881	1,038	5,200	5,200	4,509	291
Operating Supplies	10	10	-	10	-	-	88	(68)	40	40	395	(355)
Travel	-	-	-	-	600	600	510	90	1,500	1,500	1,195	305
Printing & publishing	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	50	50	50	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Current Expenditures	<u>60</u>	<u>60</u>	<u>50</u>	<u>10</u>	<u>3,500</u>	<u>3,500</u>	<u>2,439</u>	<u>1,061</u>	<u>6,740</u>	<u>6,740</u>	<u>6,499</u>	<u>241</u>
Total Police and Liquor Law	<u>2,860</u>	<u>2,860</u>	<u>1,057</u>	<u>1,803</u>	<u>3,500</u>	<u>3,500</u>	<u>2,439</u>	<u>1,061</u>	<u>6,740</u>	<u>6,740</u>	<u>6,499</u>	<u>241</u>
Totals	<u>2,860</u>	<u>2,860</u>	<u>1,057</u>	<u>1,803</u>	<u>3,500</u>	<u>3,500</u>	<u>2,439</u>	<u>1,061</u>	<u>6,740</u>	<u>6,740</u>	<u>6,499</u>	<u>241</u>
TOTAL EXPENDITURES	<u>2,860</u>	<u>2,860</u>	<u>1,057</u>	<u>1,803</u>	<u>3,500</u>	<u>3,500</u>	<u>2,439</u>	<u>1,061</u>	<u>6,740</u>	<u>6,740</u>	<u>6,499</u>	<u>241</u>
Operating Transfers In / Out	-	-	-	-	(3,500)	(3,500)	-	-	3,500	3,500	-	-
EXCESS OF REVENUES OVER (UNDER)	<u>(1,060)</u>	<u>(1,060)</u>	<u>703</u>	<u>\$ (1,763)</u>	<u>400</u>	<u>(3,100)</u>	<u>82</u>	<u>\$ (3,182)</u>	<u>730</u>	<u>730</u>	<u>(1,244)</u>	<u>\$ 1,974</u>
FUND BALANCE, APRIL 1	<u>1,116</u>	<u>1,116</u>	<u>1,116</u>	<u>-</u>	<u>7,054</u>	<u>7,054</u>	<u>7,054</u>	<u>-</u>	<u>1,218</u>	<u>1,218</u>	<u>1,218</u>	<u>-</u>
FUND BALANCE MARCH 31	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 1,819</u>	<u>\$ 1,763</u>	<u>\$ 7,454</u>	<u>\$ 3,954</u>	<u>\$ 7,136</u>	<u>\$ 3,954</u>	<u>\$ 1,948</u>	<u>\$ 1,948</u>	<u>\$ 1,218</u>	<u>\$ 720</u>

Township of L'Anse
All Agency funds statement of Assets and Liabilities
For the year ended March 31, 2008

GENERAL AGENCY FUND

	Balance April 1	Additions	Deductions	Balance March 31
ASSETS				
Cash in bank	\$ -	\$ 35,676	\$ 35,676	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 35,676</u>	<u>\$ 35,676</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Funds:				
General Fund	\$ -	\$ 72	\$ 72	\$ -
Fire Fund	-	-	-	-
Ambulance Fund	-	-	-	-
Other Funds	-	-	-	-
Due to schools	-	-	-	-
Due to county	-	360	360	-
Due to state government	-	5,660	5,660	-
Due to federal government	-	29,065	29,065	-
Due to others	-	-	-	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 35,157</u>	<u>\$ 35,157</u>	<u>\$ -</u>

CURRENT TAX COLLECTION ACCOUNT

ASSETS				
Cash in bank	\$ 7,864	\$ 1,695,530	\$ 1,703,394	\$ -
Taxes Recievable	-	888,617	888,617	-
TOTAL ASSETS	<u>\$ 7,864</u>	<u>\$ 2,584,147</u>	<u>\$ 2,592,011</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Funds:				
General Fund	\$ -	\$ 89,440	\$ 89,440	\$ -
Fire Fund	-	81,430	81,430	-
Ambulance Fund	-	81,479	81,479	-
Other Funds	-	-	-	-
Due to schools	-	-	-	-
Due to State Government	-	-	-	-
Due to county	-	-	-	-
Due to others	7,864	636,851	644,715	-
TOTAL LIABILITIES	<u>\$ 7,864</u>	<u>\$ 889,200</u>	<u>\$ 897,064</u>	<u>\$ -</u>

Township of L'Anse
Statement of General Fixed Assets
March 31, 2008

	March 31, 2008	Additions	Disposals	March 31, 2008
General Fixed Assets				
Land	\$ 301,514	\$ -	\$ -	\$ 301,514
Buildings	1,122,934	-	-	1,122,934
Equipment	232,116	13,051	928	244,239
Assets under capital lease	-	-	-	-
Construction in progress	-	-	-	-
Total general fixed assets	<u>\$ 1,656,564</u>	<u>\$ 13,051</u>	<u>\$ 928</u>	<u>\$ 1,668,687</u>
Investments in general fixed assets from:				
Capital projects funds:				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Federal grants	14,554	-	-	14,554
Capital lease obligations	-	-	-	-
General Fund revenues	1,642,010	12,123	-	1,654,133
Special revenue fund revenues	-	-	-	-
Donations	-	-	-	-
Total investments in general fixed assets	<u>\$ 1,656,564</u>	<u>\$ 12,123</u>	<u>\$ -</u>	<u>1,668,687</u>

Richard C. Woodbury, P.C.

Certified Public Accountant

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September 26, 2008

Township Board
L'Anse Township
L'Anse, MI 49946

We have audit the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of L'Anse Township, Michigan, as of March 31, 2007 which collectively compromise the L'Anse Township, Michigan's basic financial statements and have issued our report dated September 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered L'Anse Township, Michigan's, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the L'Anse Township, Michigan's, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of L'Anse Township, Michigan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects L'Anse Township, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of L'Anse Township, Michigan's financial statements that is more than inconsequential will not be prevented or detected by L'Anse Township, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by L'Anse Township, Michigan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be

significant deficiencies or material weaknesses. We did not identify any deficiencies in the internal control over financial reporting that we consider to be material weaknesses, as defined above.

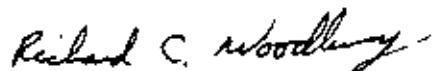
Compliance and Other Matters

As part of obtaining reasonable assurance about whether L'Anse Township, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of L'Anse Township, Michigan, in a separate letter dated September 26, 2008.

This report is intended solely for the information and use of management, the audit committee, Township Council, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specific parties.

Sincerely,

A handwritten signature in cursive script that reads "Richard C. Woodbury".

Richard C. Woodbury
Certified Public Accountant

Federal Reports

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September __, 2008

Township Board
L'Anse Township
L'Anse, MI 49946

Compliance

We have audited the compliance of L'Anse Township's US 41 water Fund with the type of compliance requirements described in the "U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*" that are applicable to each of its major federal programs for the year ended March 31, 2008. L'Anse Township's US 41 Water Fund's major federal programs are identified in the summary of auditors results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major programs is the responsibility of L'Anse Township's management. Our responsibility is to express an opinion on the Township of L'Anse's US 41 Water Fund's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform our audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about L'Anse Township's US 41 Water Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Our audit does not provide a legal determination on the US 41 Water Fund's compliance with those requirements.

In our opinion L'Anse Township's US 41 Water Fund complied, in all respects with the requirements referred to above that applicable to each of its major federal programs for the year ended March 31, 2008.

Internal Control Over Compliance

The management of L'Anse Township is responsible for establishing and maintaining effective internal

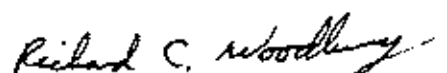
control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered L'Anse Township's Us 41 Water Fund's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of L'Anse Township's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency*, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies of material weaknesses. We did not identify any deficiencies in internal control over compliance that we would consider to be material weakness, as defined above.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Richard C. Woodbury
Certified Public Accountant

Township of L'Anse
US 41 Water Project
Schedule of Expenditures
For Year Ended March 31, 2008

<u>Federal Grantor / Pass Through Grantor</u>	<u>Federal CRFD Number</u>	<u>Award Amount</u>	<u>Expensed as of 4/1/2007</u>	<u>3/31/2008 Federal Expenditures</u>
Environmental Protection Agency (EPA)	66.20	\$ 240,600	\$ 121,722	\$ 118,878
Rural Development Authority (RDA)	10.76	209,000	13,000	196,000
Rural Development Authority (RDA)	70.76	416,000	-	<u>416,000</u>
Totals				<u>\$ 730,878</u>
Total Federal Expenditures				<u>\$ 730,878</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Township of L'Anse
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2008

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the US 41 Water Project and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

NOTE 2—COST REPORTS

Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the modernization cost reports.

Township of L'Anse
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2008

SUMMARY OF AUDITORS RESULTS

1. The auditors report expresses an unqualified opinion of the general purpose financial statements of the Township of L'Anse.
2. There were no reportable conditions relating to the audit of the general purpose financial statements of the Township of L'Anse.
3. There were no instances of noncompliance material to the general purpose financial statements of the Township of L'Anse.
4. There were no major reportable conditions relating to the audit of the major federal award program as reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors report on compliance for the major federal award programs for the Township of L'Anse expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Township of L'Anse.
7. The program tested as a major program was:
 - A. Rural Development Grant – CFDA 70.76
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Township of L'Anse was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

1. There were no reportable conditions.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. There were no findings or questioned costs.

PRIOR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. There were no findings or questioned costs.

Richard C. Woodbury, P.C.

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September 26, 2008

Township Board
L'Anse Township
L'Anse, MI 49946

We have completed our audit of the financial statements of L'Anse Township, Michigan for the year ended March 31, 2008, and have issued our report thereon dated September 26, 2008. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The Township's administration is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide the administration with reasonable, but not absolute assurance that assets are safeguarded against unauthorized use or disposition and that the transactions are executed in accordance with the administration's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

As stated in our engagement letter, our responsibility as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of

the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of L'Anse Township, Michigan taken as a whole. Our study and evaluation disclosed conditions that we believe to be material weaknesses.

1. (Repeat) Due to the size of the Township and the limited availability of funds the Township is unable to have adequate separation of duties between employees and board members. We recommend that the board has an independent person, such as a board member, come in to review cash deposits, bank reconciliations and bookkeeping entries on a regular basis.
2. The Township finished the year with expenditures over budget in two accounts, \$7,059 in the Fire Fund and \$3,189 in the Ambulance Fund. There was also deficit balance in the Building and Zoning fund. We find these deficiencies related to inexperience and a failure to pay attention to budget detail. We understand the difficulties involved in running a local government and accounting for it also, but we do recommend that the board pays closer attention to their budget to actual numbers in the future.

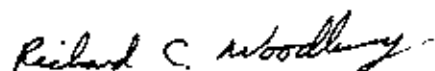
We would like to take an opportunity to congratulate the Township Board on correcting weakness disclosed in the prior year report.

1. The Sewer and Contingency Fund now has sufficient monies to pay off their bonds
2. The Township Board has closed the two Enterprise Funds that were no longer in use.

We would like to thank the Township for the opportunity to serve as your auditors. We would also like to express our appreciation for the courtesy and cooperation extended to us during the audit. As always, please feel free to call with questions regarding the information above or that which is presented in the basic financial statements.

This memorandum is intended solely for the information and use of the Board of Trustees, management and others within the Township, but its distribution is not limited.

Sincerely,



Richard C. Woodbury CPA

Richard C. Woodbury, P.C.

Certified Public Accountant

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September 26, 2008

To the Township Board
L'Anse Township, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of L'Anse Township for the year ended March 31, 2008, and have issued our report thereon dated September 26, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

(Other Information in Documents Containing Audited Financial Statements)

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on August 8, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by L'Anse Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007/2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of depreciation of capital assets is based on recommended useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the basis for depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of Capital Assets in Note 1D to the financial statements.

Difficulties Encountered in Performing the Audit.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 26, 2008.

Management Consultations with Other Independent Accountants

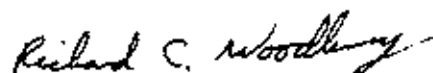
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of L'Anse Township Board and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Richard C. Woodbury, CPA

September 26, 2008